Production of Crude Oil

[*Translation*]

*226. SHRI DAU DAYAL JOSHI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the targets fixed for production of crude oil and LPG during 1990-91 and 1991-92;

(b) wheather the targets have been achieved;

(c) if not, the reasons therefor;

(d) whether the Government have drawn up any plan for achieving self-sufficiency in production of crude oil, petrol and LPG by 2000 A.D.; and

(e) if so, the details thereof?

[*English*]

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS AND MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI S. KRISHAN KUMAR): (a) to (e). A statement is placed on the Table of the House.

STATEMENT

(a) Targets fixed for crude oil and LPG for 1990-91 were 35.09 MMT & 1.959 TMT respectively, and for 1991-92 these are 31.8 MMT & 2.106 TMT respectively.

(b) and (c). LPG target for 1990-91 was achieved. The crude oil production target was not achieved. For 1991-92, while the LPG target is likely to be achieved, there may be some shortfall in crude oil production. The shortfall in crude production was on account of various reasons such as reservoir constraints, slippages in projects, strikes etc.

(d) and (e). Projects for augmenting production are at various stages of implementation. By the end of the Eighth Plan period the indigenous production of Crude oil is expected to reach approximately 47 million tonnes per annum.

[*Translation*]

SHRI DAU DAYAL JOSHI: Sir, according to the statement of the hon. Minister the target fixed for 1990-91 was 35.09 M.M.T., whereas it was reduced to 31.8 M.M.T. for 1991-92. While replying to a question raised by Shri Chokka Rao, it was stated that expenditure on exploration was continuously increasing. The Indian Oil Limited spent Rs. 1378 crore in 1989-90 and Rs. 1084.64 crore 1990-91. Thus the expenditure is rising whereas the production target is declining. Why have these targets not been achieved? It has been stated that the factors for not achieving the target were strikes and slippage. Yet expenditure has been continuously made and targets are not being achieved. Why so?

MR. SPEAKER: What are the reasons for not achieving the target?

[*English*]

SHRI S. KRISHNA KUMAR: It is true that as against the original target of 35.90 million metric tonnes of production of crude, there was a shortfall in production by 2.908 million tonnes in 1990-91. The main reason for this is obligatory rectification measures in some of the oil fields of Bombay High which in turn is necessitated by the requirement of the overall health of the fields from the long term point of view. Similarly, there has been a shortfall in the North-Eastern region, especially Assam, as has been mentioned, due to bandhs and general law and order situation. So, these shortfalls were due to reasons beyond the control of the oil companies. Taking a very realistic view of production, both in 1990-91 and in 1991-92, in which there was a shortfall of 4.255 million tonnes, the targets have been revised. Sir, the expenditure of the oil companies, from year to year cannot be directly correlated to actual production.

[*Translation*]

SHRI DAU DAYAL JOSHI: My question as to why the targets have come down, has not been replied to.

MR. SPEAKER: Reply to your question has already been given.....

SHRI DAU DAYAL JOSHI: Sir, the reply has not been given. According to the statement, two thousand tonnes of oil is produced and by the end of the Eighth Plan period it is expected to reach 47 million tonne per annum. I would like to know as to what will be the requirement of the country by 2000 A.D. and how much oil will be imported from abroad? In this connection I would like to point out that new sources for oil are not being explored. The report of expert Shri K.C. Ray Chaudhary of West Bengal is with the Government in which he has stated that Rajasthan has maximum potential of gas, but no efforts are being made to explore it. As against it, millions of rupees are being spent on the import of oil from foreign countries. I would like the hon. Minister to clarify why oil is not being explored as per the reports of the experts. By when oil will be explored in Rajasthan?

[*English*]

SHRI S. KRISHNA KUMAR: Sir, as regards first part of his question, the estimated demand for 1991-92 is 51.6 million tonne of crude as against the estimated production which will only be 29.68 million tonnes of crude. Therefore, there will be shortfall of 21.92 million tonnes of crude necessitating that quantum of imports. At the end of the Eighth Plan, the estimated demand will be 67.5 million tonnes....(*Interruptions*)... The estimated production will be 45 million tonnes and there will be a shortfall of 22.5 million tonnes. Therefore, it is true that there will be a gap between demand and supply of crude oil as well as petroleum products. We are trying to reduce this gap as the gap is expanding. We have a programme for accelerated exploration...(*Interruptions*)... The Government has already sanctioned major oil production projects like Neelam, L-III, L-II, Mukta and Panna and the Government is about to sanction R-15-A, Ravva and Gandhar. When these projects will go into the stream in two to three years, they will start yielding 190 million tonnes of crude over their life span. This development plan is going to be the major thrust for increasing the production of crude. As regards other areas, we have a regular plan for exploration in all the oil basins in the country and that is an on-going process.

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI B. SHANKARANAND): May I say that the hon. Member who comes from Rajasthan is very keen that exploratory activity should be taken up in Rajasthan? May I assure the hon. Member that we are very keen in finding out oil wherever it is available and we will not lag behind in finding oil in Rajasthan. I need only your cooperation.

SHRI M. KRISHNASWAMY: I would like to know from the hon. Minister through you whether international companies have given proposals in this regard and whether the Government is willing to grant licences for them and if so, the details thereof.

SHRI S. KRISHNA KUMAR: Government have recently put up tenders for what is called the fourth round of budding for 72 prospective blocks, 33 in-shore and 39 offshore in the country. The last date for the bidding is 15th April and this round of bidding facilitates participation not only by the public sector companies but also the Indian private sector companies as well as the foreign companies. The response is encouraging. The actual result will be known after the last date of the bid is over. Also, the present policy of the Government, as reinforced in the Budget proposals, allows the Indian private sector as well as the foreign companies to participate in exploration, refining and all other areas of the oil sector, the objective being to harness the much needed foreign exchange and investment resources which are absolutely required for a quantum jump in production in the oil sector.

SHRI BASU DEB ACHARIA: I would like to know whether it is a fact that the exploration activities in the Bengal Basin have been stopped though there is a report that there are enough reserves of oil in the Bengal Basin. Recently, a report was submitted by Shri K.C. Roy Choudhary, to which a reference was made by Sh. Joshi also. The report says that there is enough reserve of oil in the country and we will not have to depend on imports of oil in future if we explore the oil in Bengal and Gujarat basins. May I know from the Minister whether the Government proposes to take up exploration activities in Bengal Basin because there is a report that Calcutta city itself is floating on oil.

SHRI B. SHANKARANAND: Sir, this topic has been discussed in this House time and again. It is not for the first time that the hon. Member is raising this question. He has raised it a number of times and on each occasion we have given reply. May I say Sir that it is not as if we do not want oil? We want oil. We are willing to explore and if Bengal is going to give us oil, we will do everything to find it out.

SHRI JASWANT SINGH: The hon. Minister has informed us of some reasons for the shortfall, amongst which are reservoir constraints and slippages in projects. By a very rough estimate, placing the current value of oil at roughly 20 dollars per tonne, the loss that has been incurred by the country is around 200 million dollars. Therefore, I would request the Minister to elucid are the projects as to what are the reservoir constraints to which he referred and which of the projects in which there has been a slippage amounting to a loss to the nation of almost 200 million dollars.

SHRI S. KRISHNA KUMAR: In the relevant period, some of the fields in the Bombay High have been experiencing what are known as high gas-oil ratios and increased water cuts. A committee appointed by the Government called the Dasgupta Committee had gone into the rate of production from those wells and the criteria relating to proper well management and it had come up with various recommendations. The problem is that there are many opinions. Some say that wells had been flogged too much in the past resulting in over production and negative health of the wells for the future. Some say, what had been done in the past is correct. This is a technical matter and the Dasgupta Committee has gone into it. But the fact remains that certain rectification measures are required to be taken now if the long term health of the wells is to be protected. ONGC is now engaged in the process of such rectification measures but that will result in loss of production in the interim period of two to three years which we just cannot avoid.

As regards slippages in projects we may mention that the Ravva field could not be cleared in time. There was delay obviously due to foreign exchange as well as resources scarcity and because of that the production from that field had to be postponed for quite some time. So, for every element of loss of production, there are valid circumstances over which the Government had no control at that time.

Sweet Water Prawn

*227. SHRI BHAGEY GOBARDHAN: Will the Minister of AGRICULTURE be pleased to state:

(a) the potential of sweet water prawn culture in the country;

(b) whether commercial production of prawn in sweet water has commenced anywhere in the country;

(c) if so, the details thereof; and

(d) the areas which have the potential for commercial production?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI MULLAPPALLY RAMACHANDRAN): (a) to (d). The potential for development of freshwater prawn culture in the maritime States, particularly West Bengal, Orissa, Andhra Pradesh, Kerala, Maharashtra and Gujarat